

GREATER MARBLE HALL MUNICIPALITY

INDEX	PAGE
1. GENERAL INFORMATION	2-3
2. FOREWORD	4
4. REPORT OF THE CHIEF FINANCIAL OFFICER	5-10
5. ACCOUNTING POLICIES	11-15
6. CERTIFICATE OF REMUNERATION	16
7. BALANCE SHEET	17
8. INCOME STATEMENT	18
9. CASH FLOW STATEMENT	19
10. NOTES TO THE FINANCIAL STATEMENTS	20-26
11. APPENDICES'	
A: Statutory Funds, Trust Funds / Provision and Reserves.	27
B: External Loan and Internal Advances	28-29
C: Analysis of fixed Assets	30
D: Analysis of Income Statement for the year	31
E: Detailed Income Statement for the year	32
F: Statistical Information	33-36

GENERAL INFORMATION

MEMBERS OF THE MAYORAL COMMITTEE

Councillor M M Maphanga	Mayor
Councillor M E Mohlamonyane	Chairperson of the Finance Portfolio Committee
Councillor L J Mphahlele	Chairperson of the Portfolio Committee Technical Services
Councillor J Oosthuizen	Chairperson of the Portfolio Community Services
Councillor L M Seloane	Chairperson of the Portfolio Committee on Corporation

OTHER MEMBERS OF COUNCIL

Councillor M F Lekola	Councillor W M Mabaso
Councillor S Z Modige	Councillor P M Mashabela
Councillor P M Nkadameng	Councillor F E Tladi
Councillor P M Sedibane	Councillor L M Matlala
Councillor M J Napo	Councillor W M Monama
Councillor M E Mokwena	Councillor T T Maila
Councillor S B Mashigo	Councillor M R Seono
Councillor M Y Mmakola	Councillor P M Matlala
Councillor M A Mampana	Councillor E K Laka
Councillor L B Modisha	Councillor M E More

GRADING OF LOCAL AUTHORITY

Grade 3

AUDITORS

The Auditor General

BANKERS

First National Bank, Marble Hall, Limpopo

REGISTERED OFFICE

2 Ficus Street, Marble Hall, 0450

MUNICIPAL MANAGER

Mr S R Monakedi

CHIEF FINANCIAL OFFICER

Ms N L P Langa
Diploma in State Finance (University of the North)
Certificate in Intermediate Accounting (Unisa)

OTHER MANAGERS

Mr B P Marais	Manager IDP
Ms N C Motsepe	Manager Community Development Services
Mr S R Monakedi	Acting Manager Technical Services
Mr P M Matseke	Acting Manager Corporate Services

MAYOR

Ms M M Maphanga

SPEAKER

Mr A C Tsiane

CHIEF WHIP

Ms K S D Mokoka

FOREWORD

"When a goal is well stated, it is always visually imaginable or exceptionally simple" by Tracy Gross, Reichard Pascale & Anthony Athos. These financial statements have been compiled in terms of the MFMA, 56 of 2003 section 122 (1) (a) and they are an effort to express in monetary terms the achievements and progress made during the financial year. Most important they are an expression of the linkage between the budget and the IDP; the success of the partnership between the municipality and its communities.

Another year has ended since the 2006 General Local elections. The 2006/2007 financial year has been a learning curve for most of us as newly elected Councillors, but that did not make us to deviate from our responsibility and fulfilling our constitutional mandate for service delivery.

Feedback is the breakfast of champions" by Rick Tate Management Consultant. The annual financial statement are a clear feedback to the community that we serve, as they give the financial performance and the financial position of the municipality. They are an indication of how funds were spent in order to better the lives of our people like the provision of electricity, the construction of roads, the provision of water etc. The annual financial statements are like embeded footprints, where you can check yourself whether you have achieved your goals or not.

One of the key documents that Municipalities base their operations on is the Intergrated Development Plan. This document influences the municipal budget and place a pivotal role in municipal planning for infrastructure development. A notable feature of the IDP is that it is heavily influenced by ordinary memebers of the community as they try through it to improve their standard of life.

The success in preparing and compiling these financial statements would not have been achieved had it not been for the tireless efforts of the Finance Staff.

It is in consequence hereof that we express appreciation and heartfelt gratitude to the Chairperson of the Portfolio Committee on Finance and members of this committee for ensuring that they play an overseeing role in the financial matters of the Council. My appreciation also goes to fellow councillors, members of the Executive Committee and the Municipal Manager who just arrived towards the end of the financial year, but has made sure that the Annual financial statement are compiled submitted on time and not forgetting the entire staff for their loyal support, co-operation and hard work during the past financial year. It is with loyalty and dedication that the new year can be met with confidence.

CLLR M M MAPHANGA
MAYOR

REPORT OF THE CHIEF FINANCIAL OFFICER

The 2006/2007 financial year was the second year since the 2006 General Local Government elections.

1. OPERATING RESULTS

Detail of the operating results per department, classification and purpose of expenditure is reflected in appendix D and E. The relevant statistics appear in appendix F. The complete operating results for the year ending on 30 June 2007 are as follows:-

INCOME	ACTUAL R 2006	ACTUAL R 2007	VARIANCE 2006/2007 %	BUDGET 2007 R	VARIANCE Actual / Budget %
Opening Surplus	2 171 630	2 635 397			
Operating Income for the year	53 889 742	62 379 948	15.75%	65 623 660	5.20%
Total	56 061 372	65 015 346	15.75%	65 623 660	5.20%
EXPENDITURE	ACTUAL R 2006	ACTUAL R 2007	VARIANCE 2006/2007 %	BUDGET 2007 R	VARIANCE Actual / Budget %
Opening Deficit	-	-	-	-	-
Operating Expenditure for the year	54 154 679	59 203 510	9.32%	69 052 041	16.64%
Sundry Transfers	(728 703)	(2 605 164)	-	-	-
Closing Surplus(Deficit)	2 635 397	8 417 000	-	-	-
Total	56 061 372	65 015 346	9.32%	69 052 041	16.64%

REPORT OF THE CHIEF FINANCIAL OFFICER

1.1 RATES AND GENERAL SERVICES

	ACTUAL R	2006	ACTUAL R	2007	VARIANCE 2006/2007 %	BUDGET 2007 R	VARIANCE Actual / Budget %
Income	39 022 642		24 435 527		-37.38%	25 255 619	3.36%
Expenditure	32 944 340		31 236 567		-5.18%	41 552 392	33.02%
Surplus (Deficit)	6 078 302		(6 801 040)		-211.89%	(16 296 773)	139.62%
Surplus (Deficit) as % of Total Income	15.58%		-27.83%			-64.53%	

1.2 TRADING SERVICES

The following is a summary of the operating results of the Council's trading services.

1.2.1 ELECTRICITY SERVICE

	ACTUAL R	2006	ACTUAL R	2007	VARIANCE 2006/2007 %	BUDGET 2007 R	VARIANCE Actual / Budget %
Income	8 314 030		15 431 341		85.61%	16 513 417	7.01%
Expenditure	13 744 954		10 831 742		-21.19%	12 062 285	11.36%
Surplus (Deficit)	(5 430 923)		4 599 598		-184.69%	4 451 132	-3.23%
Surplus (Deficit) as % of Total Income	-65.32%		29.81%			26.95%	

1.2.2 WATER SERVICES

	ACTUAL R	2006	ACTUAL R	2007	VARIANCE 2006/2007 %	BUDGET 2007 R	VARIANCE Actual / Budget %
Income	6 553 070		10 097 080		54.08%	10 521 208	4.20%
Expenditure	7 465 385		7 254 135		-2.83%	6 861 631	-5.41%
Surplus (Deficit)	(912 316)		2 842 946		-411.62%	3 659 577	28.72%
Surplus (Deficit) as % of Total Income	-13.92%		28.16%			34.78%	

REPORT OF THE CHIEF FINANCIAL OFFICER

2. CAPITAL EXPENDITURE AND FINANCING

An amount of R 7 495 371 was spent on fixed assets during the financial year.

	2007 ACTUAL R	2007 BUDGET R	2006 ACTUAL R
Vehicles	2 041 780	518 000	-
Buildings	370 759	1 367 563	-
Roads and Stormwater Drainage	3 419 778	3 818 500	-
Other Infrastructure	927 791	952 000	6 915 137
Other Fixed Assets	735 262	887 000	3 766 478
	7 495 371	7 543 063	10 681 616

Two water tankers to the value of R1 578 947.36 were donated by the Limpopo Department of Local Government and Housing, which forms part of the actual amount.

	2007 ACTUAL R	2007 BUDGET R	2006 ACTUAL R
Land Trust Fund	-	518 000	-
Capital Development Fund	-	1 367 563	-
External Loans	-	3 818 500	-
Contribution from Income	2 087 195	952 000	8 265 302
Grants and Subsidies - Conditional	5 408 177	887 000	1 556 373
Prior year Adjustments	-	-	859 941
	7 495 371	7 543 063	10 681 616

REPORT OF THE CHIEF FINANCIAL OFFICER

3. **EXTERNAL LOANS, INVESTMENTS AND CASH**

On 30 June 2007 the outstanding external loans amounted to R 8 771 961 (2006: R 11 858 328) as set out in appendix B. During the year loans of R 3 086 367 (2006: R 387 890) were repaid.

On 30 June 2007 the investments and cash amounted to R 16 536 942 (2006: R 15 194 997).

More details concerning loans and investments is reflected in the notes (4 and 7) and appendix B to the financial statements.

4. **FUNDS AND RESERVES**

More details concerning funds and reserves is reflected in the notes (1 to 3) and appendix A to the financial statements.

5. **ACKNOWLEDGEMENT**

I thank the Municipal Manager, Heads of departments and staff for their support during the past financial year. A special word of thanks is directed to financial staff for spending sleepless nights and working overtime as well as weekends in ensuring that these Financial Statements are produced.

Further a special appreciation is directed to Messrs Akhile for assisting the municipality with the compilation of these Annual Financial Statements.

.....
NLP LANGA
CHIEF FINANCIAL OFFICER
DIPLOMA STATE FINANCE (UNIVERSITY OF THE NORTH)
CERTIFICATE IN INTERMEDIATE ACCOUNTING (UNISA)
LIMFO (IMFO LICENTIATE)

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Practice (1997) and Report on the Standardization of Financial Statements of Local Authorities
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for capital expenditure as more fully detailed in note three (3). The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis:
- Income is accrued when collectable and measurable. Certain direct income is accrued when received, such as traffic fines and certain licences.
 - Expenditure is accrued in the year it is incurred.

2. CONSOLIDATION

The balance sheet includes the Rate and General services, Trading services and the different Funds, Reserves and Provisions. All inter-departmental charges are set off against each other, with the exception of assessment rates, refuse removal, electricity and water.

3. FIXED ASSETS

- 3.1 **Fixed assets are stated:**
- * at historical costs, or
 - * at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation.
- While they are existing and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Chief Financial Officer and approved by Council.
- 3.2 **Depreciation**
- The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the Notes to the Balance Sheet is Appropriation from Income, where the full cost of the assets forms an immediate and direct charge against the operating income, and it is therefore unnecessary to make any further provision for depreciation.
- Grant or donation, where the amount representing the value of such grant or grant is immediately credited to the "Loans Redeemed and other Capital Receipts" account.
- 3.3 All net proceeds from the sale of all assets are credited to the Capital Development Fund.
- 3.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances.

4. STOCK

Stock is valued at the lower of cost, determined on the weighted average basis, and net realisable value.

5. FUNDS AND RESERVES

5.1 General

- 5.1.1 No interest was paid in respect of any outstanding internal loans of the Council.
- 5.1.2 Furthermore, repayment of internal loans for 2006/2007 was not done.
- 5.1.3 Authority for the abovementioned actions was sought from the MEC.

5.2 Capital Development Fund

The Capital Development Fund is used to finance the creation of assets.

In terms of section 3(3)(b) of the Local Authorities Capital Development Fund Ordinance, no. 9 of 1978, as amended, no contribution was made to the Capital Development Fund for 2006/2007.

5.3 Loans Redemption Fund

The redemption of Greater Marble Hall Municipality's stock in the Loan Redemption Fund is provided for by the annual repayment of advances made to the borrowing accounts calculated on the estimated life of assets acquired but subject to a limitation of a maximum of 30 years on the life of any individual asset. Redemption on government loans is paid half yearly on an annuity basis

5.4 Insurance Fund

This Fund was not used during the financial year, mainly due to lack of finance to contribute towards it.

5.5 Funds

In addition to Funds and Reserves listed under 5.1 to 5.3 a Local Authority can have other funds and reserves and which is in the case of the Greater Marble Hall Municipality the following namely:-

5.5.1 Land Trust Fund

Primarily used for the acquisition and development of land, but with approval of the MEC, any kind of asset may be financed from the Land Trust Fund.

5.5.2 Reserve funds in respect of maintenance and renewal

- Refuse dumps.
- Roads.
- Buildings.
- Sewerage.
- Vehicles and equipment.

5.5.3 Sundry Funds

Except for the Bursary Loan Fund that is used for training and development of staff, the following Funds still exist, but are dormant. Council has approved that these funds be closed with the implementation of Generally Accepted Municipal Accounting Principles (GAMAP)

- Endowment Fund (Roads, Parks, Cemeteries and Refuse Dumps).
- Development Contribution Fund.
- Community Development Fund.
- Contributions by the public (Clinic).

6. RETIREMENT BENEFIT

Greater Marble Hall Municipality and its employees contribute to the following funds namely: Transvaal Municipality Pension Fund, Municipal Retirement Fund, Municipal Employee Gratuity Fund, Imatu Retirement Fund and its Councillors contribute to the Councillor's Municipal Pension and Gratuity Fund which provides retirement benefits to such employees and Councillors

7. SURPLUSES AND DEFICITS

Any surplus or deficits arising from the operation of the Trading Services are transferred to Rates and General Services. With council approval, surpluses are transferred to a Tariff Stabilisation Fund periodically and ploughed back into subsequent budgets from there.

8. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The cost of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Service (June 1990).

9. INVESTMENTS

Investments are shown at market value and are invested per Circular No. 26 of 21 January 1991 issued by the Provincial Administration, Community Development Branch.

10. DEFERRED CHARGES REPRESENTS

10.1 Deferred Charges represent expenditure on projects for which loans are still to be taken up on completion of the project.

11. INCOME RECOGNITION

11.1 Electricity and Water Billings

Meters in industrial areas, premises with high tension supplies, high density residential areas and residential areas are read and billed monthly in accordance with the Accrual Accounting System.

11.2 Assessment Rates

Greater Marble Hall Municipality applies a differential site rating system. In terms of this system the assessment rates are levied on the land value of property, and rebates are granted according to the use to which a particular property is put. Rebates were granted to the owners of land accommodating not more than one dwelling unit and owners of land accommodating two or more dwelling units respectively, provided that such dwelling units were used solely for residential purposes. Further relief based on conditions relating to income, was provided to pensioned owners of property.

GREATER MARBLE HALL MUNICIPALITY

CERTIFICATE OF REMUNERATION AND IN-KIND BENEFITS OF COUNCILLORS

I, the undersigned, am responsible for the preparation of these annual financial statements, which are set out on pages 7 to 24, in terms of Section 124(1)(a) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the remuneration of Councillors and in-kind benefits as disclosed in note 12 of these annual financial statements, are within the upper limits of the framework envisaged in Section 219 of the Constitution and the Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with that Act.

Municipal Manager

Date

GREATER MARBLE HALL MUNICIPALITY

BALANCE SHEET AS AT 30 JUNE 2007

CAPITAL EMPLOYED	NOTES	2007	2006
FUNDS AND RESERVES			
Statutory Funds	1	6 899 161	7 983 053
Reserves	2	229 294	229 294
Retained Surplus/(Accumulated Deficit)	18	8 417 000	2 635 397
		15 545 455	10 847 744
Trust Funds	3	11 229 805	9 492 218
Long Term Liabilities	4	8 379 409	11 475 021
Deposits	5	1 496 878	1 501 021
		36 651 547	33 316 004
EMPLOYMENT OF CAPITAL			
Fixed Assets	6	14 154 169	17 240 536
Investments	7	16 536 942	15 194 977
Long Term Debtors	8	49 856	899 805
Deferred Charges	11	206 817	206 817
		30 947 784	33 542 135
NET CURRENT ASSETS		5 703 762	(226 131)
CURRENT ASSETS			
Inventory	9	11 658 808	8 382 013
Debtors	10	1 137 956	880 430
Cash and Bank		8 217 581	6 603 657
Short Term Portion of Longterm Debtors	8	2 231 592	897 927
		71 679	-
CURRENT LIABILITIES			
Provisions	12	5 955 045	8 608 144
Creditors	13	625 717	1 167 303
Short Term Portion-Long Term Liabilities	4	4 937 227	7 057 534
		392 102	383 307
		36 651 547	33 316 004

GREATER MARBLE HALL MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2006	2006	2006		2007	2007	2007	2007
ACTUAL INCOME	ACTUAL EXPENDITURE	SURPLUS (DEFICIT)		ACTUAL INCOME	ACTUAL EXPENDITURE	SURPLUS (DEFICIT)	BUDGET SURPLUS (DEFICIT)
39 022 642	32 944 340	6 078 302	RATES AND GENERAL SERVICES	36 851 527	41 117 633	(4 266 106)	(12 169 090)
440	77 399	(76 959)	Satellite Areas	-	-	-	-
30 978 725	22 142 929	8 835 795	Community Services	24 435 527	31 236 567	(6 801 040)	(16 296 773)
28 128	3 225 770	(3 197 642)	Subsidised Services	14 352	2 012 951	(1 998 598)	(1 846 403)
8 015 349	7 498 241	517 108	Economic Services	12 401 648	7 868 115	4 533 533	5 974 086
14 867 100	21 210 339	(6 343 239)	TRADE SERVICES	25 528 422	18 085 877	7 442 545	8 110 709
53 889 742	54 154 679	(264 937)	TOTAL	62 379 949	59 203 510	3 176 439	(4 058 381)
		728 703	Appropriation for the year (Note 18)			2 605 164	
		463 767	Net Surplus/(Deficit)			5 781 603	
		2 171 630	Accumulated Surplus/(Deficit) at beginning of the year			2 635 397	
		2 635 397	Accumulated Surplus/(Deficit) at the end of the year (Note 18)			8 417 000	

GREATER MARBLE HALL MUNICIPALITY

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	/NOTE	2007	2006
Cash generated by operations	19	11 744 943	15 111 147
Investment Income		981 687	952 287
(Increase) / Decrease in working capital	20	-3 217 631	-152 071
		9 508 998	15 911 364
Less: External interest paid	17	-1 659 806	-1 936 863
Cash available from operations		7 849 192	13 974 501
External cash contributions to Assets		5 408 177	1 556 373
		-7 495 371	-10 681 616
Investment in fixed assets		5 761 997	4 849 259
Net cash flow			
Cash effects of financing activities			
Increase / (decrease) in long term loans	21	-3 086 367	-387 890
(Increase)/decrease in cash investments	22	-1 341 966	-3 482 058
(Increase)/decrease in cash	23	-1 333 665	-979 312
Net cash (generated)/utilised		-5 761 997	-4 849 259

GREATER MARBLE HALL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS OF 30 JUNE 2007

	2007 (R)	2006 (R)
1 STATUTORY FUNDS (Appendix A)		
Capital Development Fund	6 454 799	5 181 053
Loan Redemption Fund	-	2 503 455
Study Loan Fund	98 989	48 989
Bursary Fund	345 373	249 556
	6 899 161	7 983 053
2 RESERVES (Appendix A)		
Tariff Stabilisation Fund	229 294	229 294
Maintenance	-	-
Vehicles and Equipment	-	-
General	-	-
Electricity	-	-
Water	-	-
Resealing	-	-
Buildings	-	-
Dumping Site	-	-
Sewerage	-	-
Buildings: Water	-	-
	229 294	229 294
3 TRUST FUNDS (Appendix A)		
Land Trust Fund	10 880 806	8 733 662
Town Planning	131 143	105 265
Elandskraal Sport Stadium	-	478 426
Community Facilities Fund	86 319	69 286
Endowment Fund	52 155	41 863
Road Subsidy	79 381	63 717
	11 229 805	9 492 218
4 LONG TERM LIABILITIES		
Annuity Loans	8 771 511	9 193 328
Other long term loans	-	2 665 000
	8 771 511	11 858 328
Less: Current portion transferred to Current Liabilities	392 102	383 307
	8 379 409	11 475 021
* No capital commitments or contingent liabilities existed at year-end. Details of loan periods, final date of repayment, etc are set out in Appendix B		
* Investments in Note 7 are pledged as security for some of the loans		
5 DEPOSITS		
Consumer Deposits	2 392 033	2 408 426
Less Guarantees	895 155	907 405
Net Deposits Retained	1 496 878	1 501 021

GREATER MARBLE HALL MUNICIPALITY

	2007 (R)	2006 (R)
6 FIXED ASSETS		
Fixed assets at the beginning of the year.	64 773 367	54 091 751
Capital expenditure during the year.	7 495 371	10 681 616
Less: Assets sold or written off during the year.	-	-
TOTAL FIXED ASSETS	72 268 738	64 773 367
Less: Loans Redeemed and other Capital receipts	58 114 569	47 532 830
	14 154 169	17 240 536
7 INVESTMENTS		
Unlisted	16 536 942	15 194 977
Total Investments	16 536 942	15 194 977

All investments are pledged as security for external loans.

Rand Merchant Bank	16 027 852	12 191 522
ABSA	-	2 503 455
First National Bank	509 090	500 000
Management's valuation of unlisted investments at year-end	16 536 942	15 194 977
Profit(Loss) on investment transactions	-	-
Average rate of return on call deposits	2.81% gross	7% gross
Average rate of return on unlisted investments	15.7% gross	28.72% gross

Legislation requires local authorities to invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a planetary rate to meet commitments

An investment of R500 000 was pledged to FNB as security for a loan in respect of acquiring a Fleet Management System.

8 LONG TERM DEBTORS		
Study Loans	49 856	15 621
Suspense Account	-	732 205
Vehicle Loans	71 679	142 779
Computer Loans	-	9 200
	121 535	899 805
Less: Short-term portion of long-term debtors transferred to Current Assets	(71 679)	-
	49 856	899 805

GREATER MARBLE HALL MUNICIPALITY

	2007 (R)	2006 (R)
9 INVENTORY		
Consumable Stores	<u>1 137 956</u>	<u>880 430</u>
10 DEBTORS		
Sundry Debtors & Suspense Accounts	3 406 066	3 282 987
Consumer Debtors	8 029 760	4 619 957
Less: Provision for bad debts	<u>(3 218 246)</u>	<u>(1 299 287)</u>
Amounts totalling NIL (R43 391.24 -2006) were written off as bad debts.	<u>8 217 581</u>	<u>6 603 657</u>
Consumer Debtors:		
30 Dae/30 Days	1 837 697	1 555 276
60 Dae/60 Days	263 464	236 475
90 Dae/90 Days	507 895	229 632
120 Dae +/-120 Days +	<u>5 420 706</u>	<u>2 598 573</u>
	<u><u>8 029 760</u></u>	<u><u>4 619 957</u></u>
The balance represents Suspense Accounts with debit balances.		
11 DEFERRED CHARGES		
Loan not taken up yet	<u>206 817</u>	<u>206 817</u>
12 PROVISIONS		
Leave Money	<u>625 717</u>	<u>1 167 303</u>
13 CREDITORS		
Trade Creditors	3 971 985	4 484 538
Deposits	10 291	7 741
Unutilised Grants	746 773	419 131
Sundry Creditors	<u>208 178</u>	<u>2 146 124</u>
	<u>4 937 227</u>	<u>7 057 534</u>
14 ASSESSMENT RATES		
	<u>Value of land on 1 July 2006</u>	
Residential	3 440	0.00
Commercial	1 215	0.00
State	2 200	0.00
Municipal	3 800	0.00
	<u>23 691 615</u>	<u>0.00</u>
		<u>4 715 942</u>

VALUATION OF LAND IS PERFORMED EVERY 4 YEARS, UNLESS THE VALUATION IS EXTENDED BY COUNCIL.
THE LAST VALUATION CAME INTO EFFECT ON 1 JULY 2003.

Assessment Rates were levied at a rate of 0.30910 cents in the rand.
Rates are levied on the value of land only. Depending on the zoning and state of development of the land, rebates ranging between 5% and 36% are granted.

GREATER MARBLE HALL MUNICIPALITY

	2007 (R)	2006 (R)
15 COUNCILLOR'S REMUNERATION		
Mayor's allowances	394 992	96 574
Speaker	327 139	-
Councillor's allowances	2 308 656	1 059 943
Executive Committee allowances	988 061	297 645
Council contribution - Councillors Pension	223 404	82 160
	4 242 251	1 536 322
All payments made to Councillors were within the upper limits as prescribed by the Remuneration of Public Office Bearers Act, 20 of 1998.		
No accounts payable by Councillors were outstanding at year-end.		
16 AUDITORS REMUNERATION		
Audit Fees	220 325	355 840
17 FINANCE TRANSACTIONS		
<i>Total external interest earned or paid.</i>		
Interest earned	981 687	83 187
Interest paid	1 659 806	1 936 863
<i>Capital charges debited to Operating Account</i>		
External Interest	1 659 806	1 936 863
External Redemption	420 917	387 890
Total Capital Charges debited to Operating Account	2 080 723	2 324 752
Redemption		
External	420 917	387 890
18 APPROPRIATION ACCOUNT		
Accumulated Surplus at the beginning of the year	(2 635 397)	(2 171 630)
(Trading Surplus) deficit for the year	(3 176 439)	264 937
Appropriation for the year	(2 605 165)	(728 703)
Unallocated Revenue Previous Years		(489 222)
VAT received i.r.o. previous year	(1 922 901)	-
Unspent Grants		(2 689 459)
Stores adjustments		184 546
Previous Year expenditure	958 768	793 963
Contribution to Leave Provision		232 491
Contribution to Provision for Debtors		876 999
Previous Year Revenue	(990 626)	(645 249)
Contribution to capital expenditure		859 941
Development Costs 53 Erven		-
Correction Control Accounts	(650 405)	147 286
Accumulated (Surplus)/Deficit at the end of the year	(8 417 000)	(2 635 397)

GREATER MARBLE HALL MUNICIPALITY

	2007 (R)	2006 (R)
19 CASH GENERATED BY OPERATION		
(Deficit) / Surplus for the year	3 176 439	(264 937)
Previous year's operating transactions	2 605 164	728 703
Appropriations charged against income	2 710 996	9 857 734
Capital Development Fund	-	-
Audit fees	-	-
Leave	473 801	482 491
Bursary Fund	100 000	200 000
Study Loan Fund	50 000	50 000
Vehicles	-	-
Buildings	-	-
Bad Debts	-	-
Fixed Assets	2 087 195	9 125 242
Capital Charges	2 080 723	2 324 752
Contribution to Loan Redemption Fund	-	-
Interest paid to external loans	1 659 806	1 936 863
Redemption to external loans	420 917	387 890
Redemption to internal loans	-	-
	(981 687)	(83 187)
Investment income (operating account)	(981 687)	(83 187)
Interest on current account	-	-
Non operating income	3 651 302	3 847 802
Tariff Stabilisation Fund	-	-
Elandsdraal Sport Stadium	-	1 015 217
Land Trust Fund	2 216 013	2 832 585
Loan Redemption Fund	161 544	-
Capital Development Fund	1 273 746	-
Bursary Fund	-	-
Non operating expenditure	(1 497 995)	(1 299 720)
Loan Redemption Fund	-	-
Leave	(1 015 386)	(761 919)
Adjustments Assets	-	-
Elandsdraal Sport Stadium	(478 426)	(536 791)
Bursary Fund	(4 183)	-
Reserves transferred to Operating Account	-	-
Study Loan Fund	-	(1 011)
	11 744 943	15 111 147

GREATER MARBLE HALL MUNICIPALITY

	2007 (R)	2006 (R)
20 (INCREASE) / DECREASE IN WORKING CAPITAL		
(Increase) / Decrease in stock	(257 526)	(71 130)
(Increase) / Decrease in debtors	(1 613 924)	833 205
(Interest allocated to Provision for bad Debts)	-	(19 991)
(Increase) / Decrease in Longterm Debtors	778 270	(710 870)
Increase / (Decrease) in creditors	(2 120 308)	(191 842)
Increase / (Decrease) in Deposits	(4 143)	8 558
	(3 217 631)	(152 071)
21 INCREASE / (DECREASE) IN LONG TERM LOANS (EXTERNAL)		
Loans outstanding at the beginning of the year	11 858 328	12 246 218
Loans outstanding at the end of the year	8 771 511	11 858 328
Adjustment of Interest capitalised by Finance Institution	-	-
Adjustment for 2006 correction	450	-
Adjustment for Loan repayment - Redemption Fund	-	-
Actual Redemption paid on Loans	3 086 367	387 890
22 (INCREASE) / DECREASE IN EXTERNAL INVESTMENTS		
Investments made	16 536 942	15 194 977
Investments realised	15 194 977	11 712 919
	(1 341 966)	(3 482 058)
23 (INCREASE) / DECREASE OF CASH IN HAND		
Cash Balance at the beginning of the year.	(897 927)	(81 385)
Less: Cash Balance at the end of the year.	(2 231 592)	897 927
	1 333 665	(979 312)
24 LOAN REDEMPTION FUND		
Balance at the beginning of the year.	2 503 455	2 149 293
Interest: external investments	161 545	354 162
Expenditure against fund	2 665 000	-
	-	2 503 455
25 CAPITAL DEVELOPMENT FUND		
Balance at the beginning of the year	5 181 053	5 051 666
Interest on external investments	1 273 746	129 388
	6 454 799	5 181 053
Less: Outstanding Loans	(3 203 273)	(3 203 273)
	3 251 526	1 977 781
26 BANK DETAILS IN TERMS OF SECT 125(20(A) OF MFMA		
The primary current account is held with FNB in Marble Hall.		
Opening Balance	1 200 408	3 328 503
Closing Balance	2 140 959	1 200 408
The municipality runs a housing account on behalf of Department Local Govern ment & Housing, Mpumalanga. This current account is held with FNB in Marble Hall		
Opening Balance	(361 849)	413 210
Closing Balance	90 855	(361 849)

GREATER MARBLE HALL MUNICIPALITY

	2007 (R)	2006 (R)
27 Expenditure on various issues: Sect 125(1)© of MFMA		
Medical Aid Contributions	<u>1 455 779</u>	<u>758 875</u>
Pension Fund Contributions	<u>4 083 951</u>	<u>2 055 393</u>
Skills Development Levies	<u>198 255</u>	<u>134 674</u>
RSC Levies	<u>-</u>	<u>57 868</u>
28 REMUNERATION OF MANAGEMENT: Sect 124(1)© of MFMA		
Municipal Manager	<u>550 000</u>	<u>440 889</u>
Chief Financial Officer	<u>448 000</u>	<u>384 912</u>
HOD: Corporate Services	<u>408 108</u>	<u>349 920</u>
HOD: Technical Services	<u>349 920</u>	<u>324 000</u>
HOD: Community Services	<u>349 920</u>	<u>349 920</u>
IDP Manager	<u>349 920</u>	<u>300 000</u>

These figures represent total cost to the municipality.

29 CONTINGENT LIABILITIES

The Municipality is being held liable by Ikangala Water in respect of the Bulk Water Account. Council is contesting this claim on legal grounds. Should Council be unsuccessful in defending the claim, the Municipality will be liable for R3 666 105

GREATER MARBLE HALL MUNICIPALITY

APPENDIX A

STATUTORY FUNDS, TRUST FUNDS AND PROVISIONS 2006/2007

	NOTE NOTA	BALANCE 30/06/06	CONTRIBUTION	INTEREST	OTHER INCOME	EXPENDITURE	BALANCE 30/06/07
ACCUMULATED FUNDS							
Capital Development Fund	1	5 181 053	-	1 273 746	-	-	6 454 799
Loan Redemption Fund	1	2 503 455		161 545		2 665 000	-
Bursary Fund	1	249 556	100 000			4 183	345 373
Study Loan Fund	1	48 989	50 000				98 989
Insurance Fund	1	-					-
	1	-					-
	1	7 983 053	150 000	1 435 291	-	2 669 183	6 899 161
TRUST FUNDS							
Land Development Fund	3	8 733 662		2 147 144			10 880 806
Town Planning	3	105 265		25 879			131 143
Donation: Clinic		-					-
Community Facilities Fund	3	69 286		17 034			86 319
Endowment Fund	3	41 863		10 292			52 155
Elandsdraal Sport Stadium	3	478 426				478 426	-
Road Subsidy	3	63 717		15 665			79 381
	3	-					-
	3	9 492 218	-	2 216 013	-	478 426	11 229 804
PROVISIONS							
Audit		-					-
Leave	12	1 167 303	473 801	-		1 015 386	625 718
Bad debts	10	1 299 287	1 918 959	-			3 218 246
		2 466 590	2 392 760	-			4 859 349
RESERVES							
Tariff Stabilisation Fund	2	229 294	-	-	-	-	229 294
Maintenance		-					
Dumping site		-					
Vehicles and Equipment		-					
General		-					
Resealing		-					
Buildings		-					
Sewerage		-					
Buildings: Water		-					
Vehicles: Water		-					
Vehicles: Electricity		-					
	2	229 294	-	-	-	-	229 294

GREATER MARBLE HALL MUNICIPALITY

APPENDIX B EXTERNAL LOANS AND INTERNAL ADVANCES 2006/2007

ISSUED	NOTE	LOAN NO.	REDEEMABLE	BALANCE 30/06/06	RECEIVED DURING THE YEAR	REDEEMED DURING THE YEAR	BALANCE 30/06/07
DBSA @ 15% (Issued in 1997 for 20 years)		10993/103	2017/09/30	2 058 325		75 008	1 983 317
DBSA @ 14.25% (Issued in 1997 for 20 years)		11022/102	2017/09/30	1 021 540		39 013	982 528
DBSA @ 10.05% (Issued in 1982 for 25 years)		12304/101	2007/06/30	78 081		78 081	-
DBSA @ 16.5% (Issued in 2000 for 20 years)		13291/103	2020/03/31	1 125 831		23 656	1 102 175
DBSA @ 16.5% (Issued in 2001 for 20 years)		13292/102	2021/09/30	283 946		4 590	279 356
DBSA @ 16.5% (Issued in 1999 for 20 years)		13293/103	2019/09/30	4 396 949		101 432	4 295 516
ABSA @ 17.13% (Issued in 1996 for 10 years)		-	2006/11/28	2 665 000		2 665 000	-
FNB Fluctuating Interest (2004 for 5 years)		4-000-008-080-391	2008/09/30	228 656		99 588	129 068
4				11 858 328	-	3 086 367	8 771 961

GREATER MARBLE HALL MUNICIPALITY

APPENDIX B

ADVANCES TO BORROWING SERVICES	BALANCE 30/06/06	RECEIVED DURING THE YEAR	REDEEMED DURING THE YEAR	BALANCE 30/06/07
Capital Development Fund	3 203 273	0	0	3 203 273
Land Trust Fund	2 040 081	0	0	2 040 081
Provision and Reserves	138 854	0	0	138 854
	5 382 208	0	0	5 382 208

GREATER MARBLE HALL MUNICIPALITY

APPENDIX C

ANALYSIS OF FIXED ASSETS

EXPENDITURE 2005/2006	SERVICES	BUDGET 2006/2007	BALANCE 30/06/06	EXPENDITURE 2006/2007	WRITTEN OFF TRANSFERRED DISPOSED	BALANCE 30/06/07
2 979 649	Community Services	343 500	43 719 980	3 227 151	-	46 947 131
-	Civil Defence	-	5 660	-	-	5 660
108 980	Health Services	123 500	388 887	-	-	388 887
53 096	Management Services	-	5 036 786	91 121	-	5 127 907
268 843	Public Works	-	7 599 847	2 593 789	-	10 193 636
298 669	Administration	90 000	1 358 523	382 354	-	1 740 877
528 133	Finance	130 000	1 590 887	127 428	-	1 718 315
81 366	Traffic Department	-	164 143	32 459	-	196 603
1 640 564	Municipal Buildings	-	2 064 176	-	-	2 064 176
-	Assets to be allocated	-	25 511 071	-	-	25 511 071
699 509	Subsidised Services	250 000	991 841	25 440	-	1 017 281
-	Library	-	197 318	25 440	-	222 758
-	Fire Protection	-	11 160	-	-	11 160
699 509	Parks	250 000	783 113	-	-	783 113
-	Cemetery	-	250	-	-	250
87 320	Economical Services	125 000	8 075 891	479 459	-	8 555 350
87 320	Cleansing	105 000	6 596 459	157 491	-	6 753 950
-	Licences	20 000	1 440 907	321 968	-	1 762 874
-	Sewerage	-	38 525	-	-	38 525
6 915 137	Trade Services	3 859 220	7 608 839	3 763 321	-	11 372 160
6 915 137	Electricity	3 859 220	7 294 188	972 551	-	8 266 740
-	Water	-	314 651	2 790 770	-	3 105 421
10 681 616	Sub-total	4 577 720	60 396 551	7 495 371	-	67 891 923
-	Town Development	-	4 376 815	-	-	4 376 815
-	Extension 3	-	131 240	-	-	131 240
-	Extension 4	-	2 219 009	-	-	2 219 009
-	Extension 5	-	2 026 566	-	-	2 026 566
10 681 616	TOTAL FIXED ASSETS	4 577 720	64 773 367	7 495 371	-	72 268 738
11 069 505	Less: Loans redeemed and other Capital receipts	-	47 532 830	10 581 739	-	58 114 569
387 890	Less: Loans redeemed and advances paid		7 804 373	3 086 367		10 890 740
9 125 242	Contribution ex operating income		21 520 805	2 087 195		23 608 000
1 556 373	Grants and subsidies		13 839 610	5 408 177		19 247 787
-	Net: Land Development Suspense Account		4 368 041	-		4 368 041
(387 890)	NET FIXED ASSETS (NOTE 6)	4 577 720	17 240 536	(3 086 368)	-	14 154 169

GREATER MARBLE HALL MUNICIPALITY

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

ACTUAL 2006	INCOME	ACTUAL 2007	BUDGET 2007
20 760 578	Government and Provincial Aids and Subsidies	22 573 499	39 301 690
33 129 164	Income from tariffs, service charges etc.	39 707 624	26 321 970
53 889 742		62 281 123	65 623 660
EXPENDITURE			
18 116 737	Salaries, Wages and Allowances	19 834 645	22 735 772
30 313 219	General Expenditure	30 741 882	33 184 512
1 787 323	Repair and Maintenance	1 916 305	2 230 680
2 324 752	Capital Expenditure	2 080 723	2 358 014
8 265 302	Contribution to Fixed Assets	2 087 194	7 543 063
620 000	Contributions	2 542 760	1 000 000
61 427 332	GROSS EXPENDITURE	59 203 510	69 052 041
7 272 653	Less: Amounts charged out	-	-
54 154 679	Net expenditure	59 203 510	69 052 041

GREATER MARBLE HALL MUNICIPALITY

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED AT 30 JUNE 2007

2006	ACTUAL	2006	ACTUAL	2006 SURPLUS		2007	2007	2007 SURPLUS	2007
	INCOME		EXPENDITURE	(DEFICIT)		ACTUAL	ACTUAL	(DEFICIT)	BUDGET
						INCOME	EXPENDITURE		SURPLUS
									(DEFICIT)
RATES AND GENERAL SERVICES									
30 978 725		22 142 929		8 835 796	COMMUNITY SERVICES	24 435 527	31 236 567	(6 801 040)	(16 296 773)
4 715 942		-		4 715 942	Assessment Rates	4 668 800	-	4 668 800	-
-		1 314 503		(1 314 503)	Security	-	2 125 855	(2 125 855)	(2 132 677)
1 338 114		4 265 495		(2 927 380)	Council's General Expenditure	3 308 229	7 668 209	(4 359 981)	1 553 642
173 792		1 025 391		(851 599)	Health Services	46 510	544 413	(497 903)	(572 441)
522 930		671 293		(148 363)	Municipal Manager	1 184 510	1 314 582	(130 072)	(404 817)
10 595		5 331 385		(5 320 790)	Public Works	2 802 728	5 983 197	(3 180 470)	(5 909 218)
592 431		4 694 434		(4 102 003)	Management Services	20 525	6 753 259	(6 732 734)	(8 299 886)
23 210 579		2 251 013		20 959 566	Finance	11 184 651	4 630 343	6 554 308	2 763 229
259 901		1 275 408		(1 015 507)	Traffic Department	1 113 940	1 388 922	(274 982)	(1 112 700)
154 440		1 314 007		(1 159 567)	Buildings & Fixed Assets	105 635	827 787	(722 151)	(2 181 905)
28 128		3 225 770		(3 197 642)	SUBSIDISED SERVICES	14 352	2 012 951	(1 998 598)	(1 846 403)
150		149 490		(149 340)	Fire Protection	-	216 694	(216 694)	(234 600)
11 218		317 326		(306 108)	Library	1 500	166 269	(164 769)	(237 078)
16 760		2 758 954		(2 742 194)	Parks	12 852	1 629 988	(1 617 135)	(1 374 725)
8 015 349		7 498 241		517 108	ECONOMICAL SERVICES	12 401 648	7 868 115	4 533 533	5 974 086
1 458 029		2 357 778		(899 749)	Cleansing	3 966 391	2 748 578	1 217 813	924 960
5 254 132		4 586 523		667 609	Licencing	5 837 860	4 148 856	1 689 004	3 025 540
1 303 187		553 940		749 248	Sewerage	2 597 396	970 681	1 626 716	2 023 586
14 867 100		21 210 339		(6 343 239)	TRADING SERVICES	25 528 421	18 085 877	7 442 544	8 110 709
8 314 030		13 744 954		(5 430 923)	Electricity	15 431 341	10 831 742	4 599 598	4 451 132
6 553 070		7 465 385		(912 316)	Water	10 097 080	7 254 135	2 842 946	3 659 577
440		77 399		(76 959)	SATELLITE AREAS	-	-	-	-
-		77 399		(77 399)	Zamekomst	-	-	-	-
-		-		-	Van der Merweskraal/Regae	-	-	-	-
-		-		-	Elandskraal	-	-	-	-
440		-		440	Leeuwfontein	-	-	-	-
53 889 742		54 154 678		(264 936)	TOTAL	62 379 948	59 203 510	3 176 439	(4 058 381)
				728 703	Appropriation for the year (Note 18)			2 605 164	
				463 767	Nett Surplus/(Deficit) for the year			5 781 603	
				2 171 630	Accumulated Surplus/(Deficit) at the beginning of the year (Note 18)			2 635 397	
				2 635 397	Accumulated Surplus/(Deficit) at the end of the year (Note 18)			8 417 000	

GREATER MARBLE HALL MUNICIPALITY

ANNEXURE F

A:

GENERAL STATISTICS

	2005/2006	2006/2007
(i) MUNICIPAL AREA	1 793 sqKM	1 793 sqKM
(ii) NUMBER OF REGISTERED VOTERS FOR THE PREVIOUS ELECTION	51 936	51 936
(iii) PERCENTAGE OF VOTES CAST	47.08%	47.08%
(iv) BRANDWEER / FIRE DEPARTMENT		
Number of stations	0	0
Number of personnel (Part Time)	0	0
(v) BOUPLANNE / BUILDING PLANS		
Planne goedgekeur / Plans approved		
(vi) TOTAL VALUE		
(vii) NUMBER OF EMPLOYEES		
(viii) LIBRARY BOOKS TAKEN OUT		

2003/2004	2004/2005	2005/2006	2006/2007
35	23	36	95
12 264 944.00	5 685 059.00	-	22 276 504.00
181	177	169	244
33 257	27 866	20 504	16 808

GREATER MARBLE HALL MUNICIPALITY

ANNEXURE F STATISTICAL INFORMATION

B:	ALGEMENE STATISTIEK / GENERAL STATISTICS	2003/2004	2004/2005	2005/2006	2006/2007
(i)	POPULATION	+/-173 000	+/- 175 000	+/- 174 000	+/- 174 000
(ii)	VALUATION	184 852 000.00	191 601 798.00	263 772 110.00	26 393 511.00
(iii)	VALUATION RESIDENTIAL AND COMMERCIAL	115 701 000.00	133 003 760.00	198 977 700.00	199 500 501.00
(iv)	VALUATION INDUSTRIAL AND OTHER	69 151 000.00	58 598 038.00	64 794 410.00	64 434 610.00
(v)	NUMBER OF RESIDENTIAL AND COMMERCIAL PLOTS	Unknown	666	666	690
(vi)	NUMBER OF INDUSTRIAL PLOTS	Unknown	262	262	262
(vii)	ASSESSMENT RATE TARIFF	37 443	37 443	30 910	32

The last valuation roll came into effect 2005/2007

Exact details of total numbers of stands are still unknown. A comprehensive valuation roll, covering the entire municipal area, is currently being compiled for the municipality.

GREATER MARBLE HALL MUNICIPALITY

ANNEXURE F

WATER STATISTICS

C:	2003/2004	2004/2005	2005/2006	2006/2007
(i) NUMBER OF CONSUMERS	797	828	869	2334
(ii) NUMBER OF KILOLITRE BOUGHT AND PURIFIED	851 308	835 445	855 168	
(iii) NUMBER OF KILOLITRE SOLD	779 110	827 586	881 951	1 292 276
(iv) NUMBER OF KILOLITRES LOST DURING DISTRIBUTION	72 198	7 859	-26 783	
(v) NUMBER OF KILOLITRES LOST AS % DURING DISTRIBUTION	8.48%	0.94%	-3.13%	
(vi) COST PER KILOLITRE BOUGHT	Unknown	7.04	3.69	
(vii) LOST DURING DISTRIBUTION (COST)	Unknown	R 55 327.36	(R 98 772)	
(viii) COST PER KILOLITRE SOLD	Unknown	7.11	3.58	3.80
(ix) INCOME PER KILOLITRE SOLD	Unknown	3.74	6.20	5.49

Due to the fact that Water Services did not form part of the municipality's budget for 2003/2004, certain statistics were not available.

GREATER MARBLE HALL MUNICIPALITY

ANNEXURE F ELECTRICITY STATISTICS

D:	2003/2004	2004/2005	2005/2006	2006/2007
(i) NUMBER OF CONSUMERS	1 095	1105	2491	2507
(ii) NUMBER UNITS BOUGHT	28 611 016	29 908 363	31 951 076	33 043 963
(iii) NUMBER OF UNITS SOLD	26 583 673	27 160 207	28 271 005	25 852 395
(iv) NUMBER OF UNITS LOST DURING DISTRIBUTION	2 027 343	2 749 156	3 680 071	
(v) NUMBER OF UNITS LOST DURING DISTRIBUTION AS % OF ii	7.09%	9.19%	11.52%	21.76%
(vi) COST PER UNIT BOUGHT	R 0.27	R 0.24	R 0.16	R 0.16
(vii) LOST DURING DISTRIBUTION	547 382.61	R 659 797.44	R 573 905.47	
(viii) COST PER UNIT SOLD	R 0.29	R 0.26	R 0.18	
(ix) INCOME PER UNIT SOLD	R 0.38	R 0.30	R 0.28	